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September 14, 2004

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When calling relative to this
matter, refer to file No. 1199

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Upper Cotton Valley Formation, Reservoir A
Lower Cotton Valley Formation, Reservoir A
Terryville Field
Lincoln Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Upper Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Formation, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well for UCV RA SUA and LCV RA SUA at the exceptional location shown on the attached plat;
2. To establish that the proposed alternate unit well is necessary to recover hydrocarbons from each of these units that cannot be produced from any other well located on the units;
3. To authorize the unit allowable for each of these units to be recovered from the existing well located on the units, the proposed alternate unit wells, or any combination thereof, at the discretion of the operator
4. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

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The Upper Cotton Valley Formation, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana, was fully defined in Office of Conservation Order No. 370-B-7, effective on and after February 18, 1982.

The Lower Cotton Valley Formation, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana, was fully defined in Office of Conservation Order No. 370-B-6, effective on and after February 18, 1982.

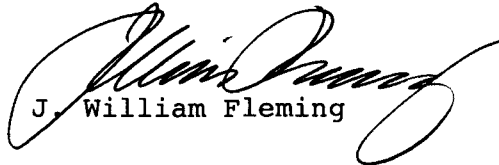
The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Kelly Byram, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (218) 425-4789.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plat attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the application fee.

Yours very truly,

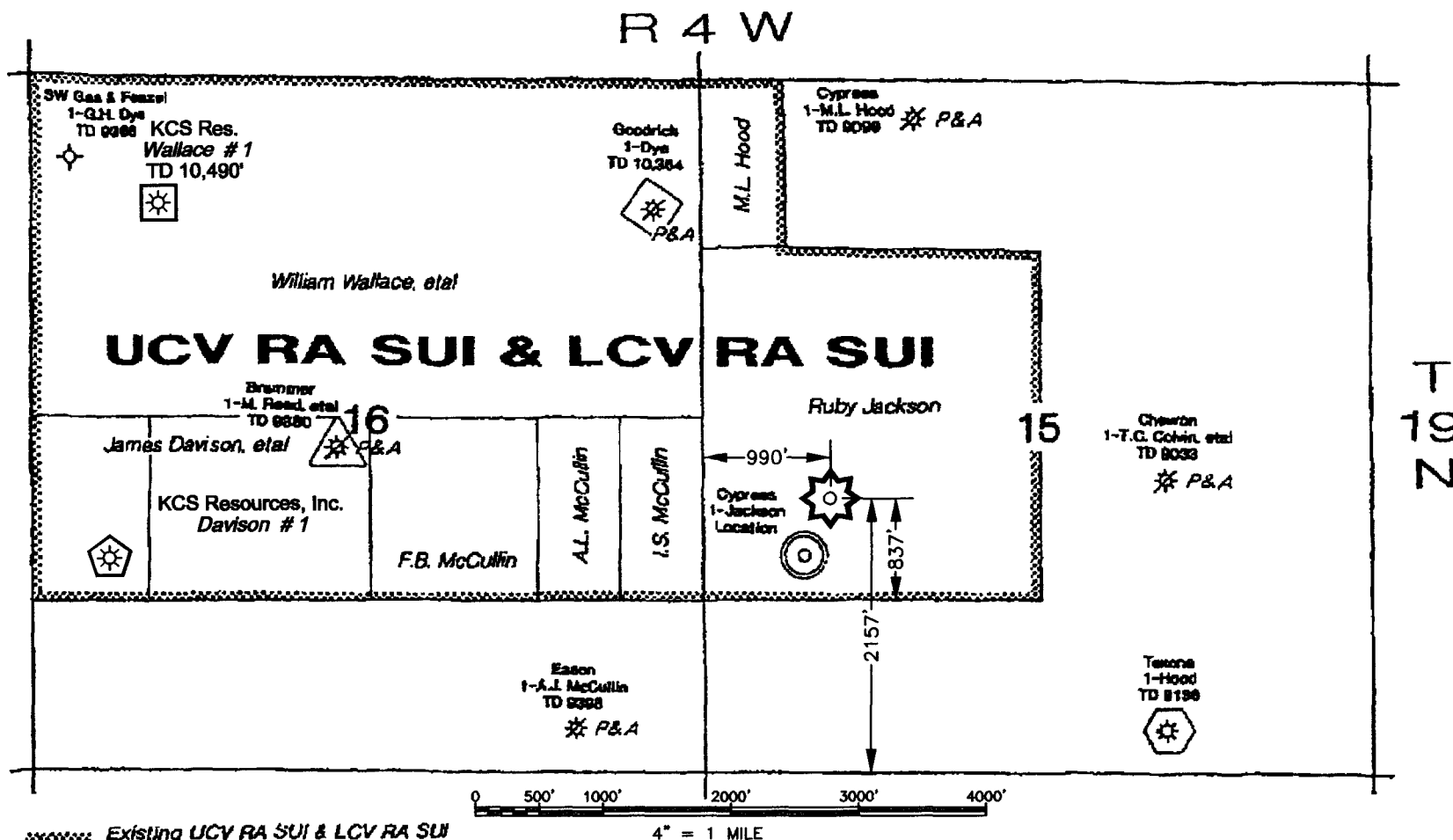
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J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Mr. Kelly Byram
Interested Owners, Represented
Parties and Interested Parties



Existing UCV RA SUI & LCV RA SUI



Former Unit Well For UCV RA SUI



Former Substitute Unit Well For UCV RA SUI & Former Unit Well For LCV RA SUI



Approved Substitute Unit Well For UCV RA SUI & Former Unit Well For LCV RA SUI



Existing Unit Well For CV D SUC



Existing Substitute Unit Well For UCV RA SUI & LCV RA SUI



Existing Alternate Unit Well At Exceptional Location For UCV RA SUI & LCV RA SUI



Proposed Alternate Unit Well At Exceptional Location For UCV RA SUI & LCV RA SUI

KCS Resources, Inc.

Terryville Field

Lincoln Parish, Louisiana

Proposed Alternate Unit Well At Exceptional Location

UCV RA SUI & LCV RA SUI